

PLACER COUNTY REDEVELOPMENT AGENCY



WORKFORCE HOUSING COMMUNITY
EDUCATION PRESENTATION

JANUARY 2005 UPDATE

WORKFORCE HOUSING COMMUNITY EDUCATION PRESENTATION OUTLINE

- I. STATEWIDE WORKFORCE HOUSING
ISSUES
- II. REGIONAL PLANNING APPROACH
- III. LOCAL RESPONSES/ACTION STEPS
- IV. TODAY'S WORKFORCE HOUSING

I. STATEWIDE WORKFORCE HOUSING ISSUES

- GROWING NUMBERS OF CALIFORNIANS, AMONG THEM TEACHERS AND SECRETARIES, PROFESSORS AND PARAMEDICS, COPS AND CARPENTERS - THE MIDDLE INCOME GLUE OF ANY COMMUNITY - ARE FINDING THEMSELVES SQUEEZED OUT. THE COSTS TO THEM, TO THEIR EMPLOYERS AND TO SOCIETY IS A STEADY EROSION IN THE QUALITY OF THEIR LIVES.....

LOS ANGELES TIMES EDITORIAL JULY, 2001

CALIFORNIA HAS NINE OF THE NATION'S LEAST AFFORDABLE HOUSING MARKETS



MARKET PLACE CONDITIONS (HOME OWNERSHIP):

- ACCORDING TO THE STATE DEPT. OF FINANCE, THE ANNUAL HOUSING NEED FOR THE PAST 12 YEARS, BASED ON POPULATION, JOB CREATION AND HOUSEHOLD INFORMATION IS CLOSE TO 230,000 UNITS PER YEAR. 2003 DATA REFLECTS ANNUAL HOUSING PRODUCTION OF 188,000 UNITS. THE AVERAGE OF THE PREVIOUS FIVE YEARS IS LESS, 132,000 UNITS PER YEAR.*
- AS OF NOVEMBER 2004 , THE CALIFORNIA MEDIAN PRICED HOUSE WAS \$473,260.
- LESS THAN 17% OF CALIFORNIANS CAN AFFORD TO PURCHASE A HOME AT THAT LEVEL

*STATE DEPT. OF FINANCE AND SACRAMENTO REGIONAL RESEARCH INSTITUTE, MARCH 2004.

** CALIFORNIA ASSOCIATION OF REALTORS – DECEMBER 22, 2004

- THE STATE'S HOME OWNERSHIP PERCENTAGE IS DECLINING - 55% COMPARED TO 66% NATIONALLY (RANKED 47TH OF 50 STATES)



- BETWEEN 1976 & 2000 MEDIAN HOUSE PRICES ROSE BY MORE THAN 400% (IN THE MEANTIME MEDIAN INCOME ROSE BY LESS THAN 250%)

MARKET PLACE CONDITIONS (RENTER):

- FROM THE MID-70'S TO LATE 90'S RENTS IN CALIFORNIA INCREASED BY MORE THAN 400%
- OVER 50% OF RENTER HOUSEHOLDS IN CALIFORNIA HAVE INCOMES OF LESS THAN 80% OF THE AREA MEDIAN INCOME
- MORE THAN 1.45 MILLION HOUSING UNITS IN THE STATE NEED REHABILITATION OR REPLACEMENT



- **RESULTS OF ALLOWING HOUSING PRODUCTION SHORTFALL TO CONTINUE:**

- **HIGHER PRICES/HIGHER BARRIER TO HOME OWNERSHIP**
- **OVER-CROWDING IN EXISTING RENTAL UNITS**
- **LONGER COMMUTES/SPRAWL**
- **COMMUNITY JOBS/HOUSING IMBALANCE**

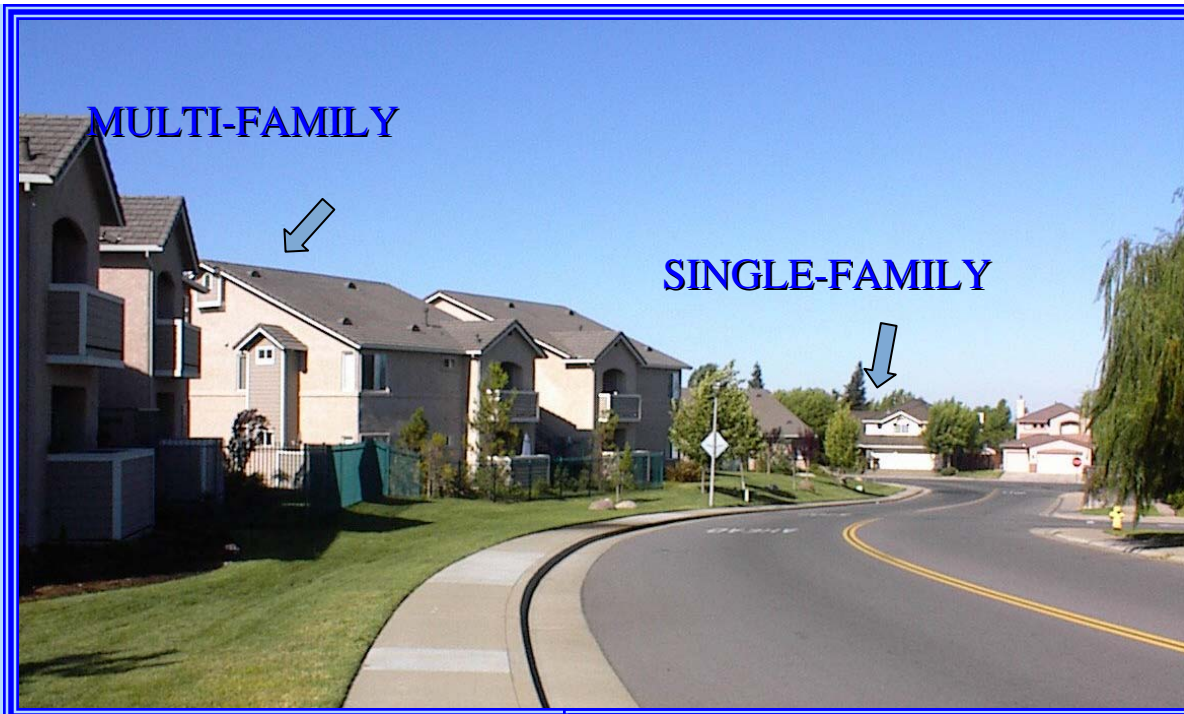
THE PROJECTED DEMOGRAPHICS DRIVE THE NEED FOR BOTH FAMILY AND SENIOR RENTAL HOUSING AS WELL AS HOME OWNERSHIP OPPORTUNITES FOR ALL LOW AND MODERATE INCOME FAMILIES.

II. REGIONAL PLANNING APPROACH

- THE CHALLENGE FACING THE STATE IS TO DEVELOP A BROAD BASED COMMITMENT TO PRODUCING MORE HOUSING, MORE DIVERSE HOUSING, AND LESS EXPENSIVE HOUSING.....

JOHN LANDIS

UC PROFESSOR/HOUSING EXPERT



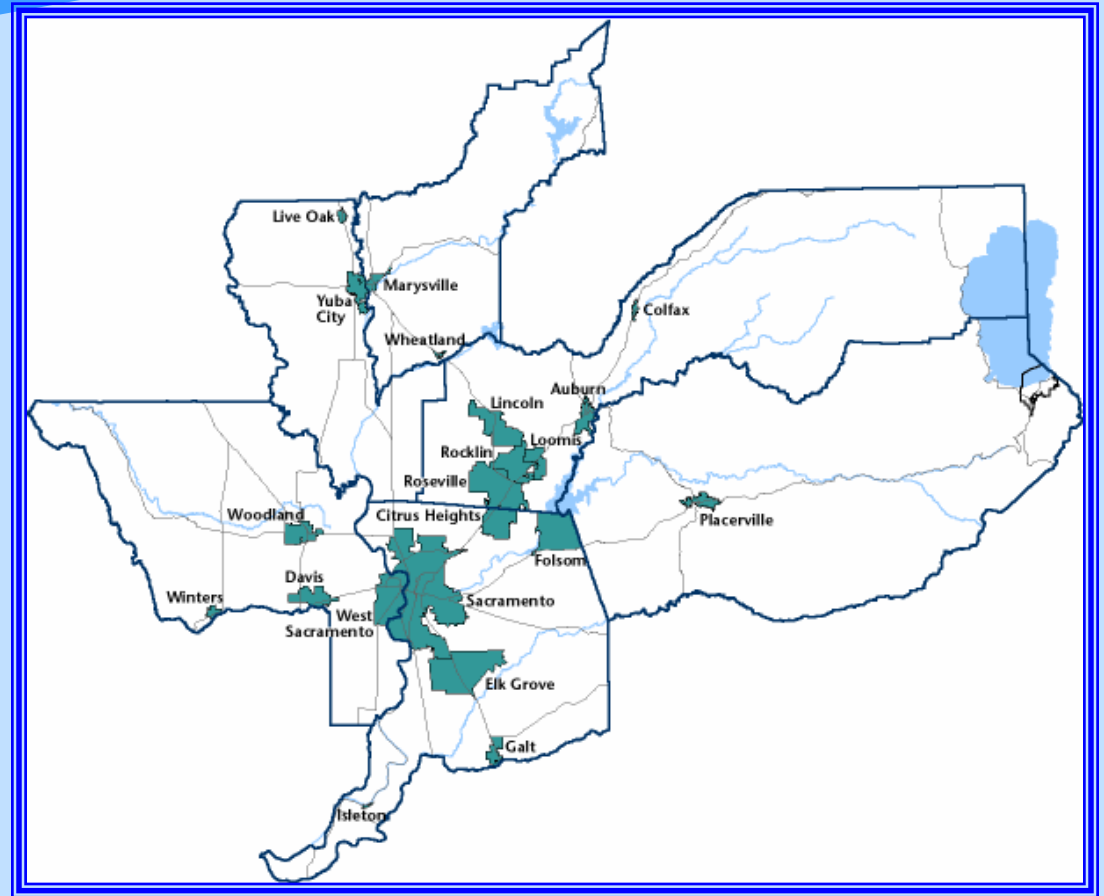
HOUSING IN ROSEVILLE-ROCKLIN AREA

STATE LAW REQUIRES A REGIONAL HOUSING NEEDS PLAN WHICH ALLOCATES TO CITIES AND COUNTIES THEIR “FAIR SHARE” OF THE REGION’S PROJECTED HOUSING NEEDS FOR EACH OF THE FOLLOWING INCOME CATEGORIES:

- VERY LOW INCOME - UP TO 50% OF MEDIAN INCOME
- LOW/LOWER INCOME - BETWEEN 50% - 80%
- MODERATE INCOME - 80% - 120%
- ABOVE MODERATE INCOME - ABOVE 120%

THE SACRAMENTO AREA COUNCIL OF GOVERNMENTS (SACOG) PREPARES THE REGIONAL HOUSING NEEDS PLAN FOR THE FOLLOWING JURISDICTIONS:

- PLACER COUNTY
- SACRAMENTO COUNTY
- EL DORADO COUNTY
- YOLO COUNTY
- YUBA COUNTY
- SUTTER COUNTY



THE PLAN ADDRESSES REGIONAL HOUSING PROJECTIONS FROM 2000-2007

REGIONAL HOUSING NEEDS PLANNING CONSIDERATIONS:

- MARKET DEMAND FOR HOUSING
- TYPE AND TENURE OF HOUSING
- EMPLOYMENT OPPORTUNITIES
- COMMUNITY PATTERNS
- SUITABLE SITES AND PUBLIC FACILITIES
- LOSS OF ASSISTED MULTI-FAMILY UNITS
- AVOIDING FURTHER CONCENTRATION OF LOWER INCOME NEIGHBORHOODS
- SPECIAL HOUSING NEEDS

REGIONAL HOUSING PLAN KEY CONCEPTS:

- TOTAL NUMBER OF HOUSING UNITS ALLOCATED TO EACH JURISDICTION ARE DERIVED FROM GROWTH PLANNED BY EACH JURISDICTION
- UNIT ALLOCATION BY INCOME LEVEL IS BASED ON THE EXTENT TO WHICH A JURISDICTIONS MOST RECENT INCOME DISTRIBUTION DIFFERS FROM THE HOUSING MARKET AREA AVERAGE
- FAIR SHARE ALLOCATIONS ARE JURISDICTIONAL GOALS, NOT QUOTAS (BUT REQUIRE STATE APPROVAL)

PLACER COUNTY POPULATION/HOUSING/JOB PROJECTIONS 2000 - 2010

- COUNTYWIDE POPULATION IS PROJECTED TO INCREASE FROM 248,399 TO 345,000 (A 50% INCREASE). THE UNINCORPORATED POPULATION BASE OF APPROXIMATELY 101,500 PERSONS WILL INCREASE TO 125,000
- COUNTYWIDE HOUSING UNITS ARE FORECAST TO INCREASE FROM 95,000 TO 143,000 WITH 12,000 NEW UNITS IN THE UNINCORPORATED AREA
- EMPLOYMENT IS EXPECTED TO INCREASE FROM 120,000 JOBS TO A TOTAL OF 170,000 JOBS, WITH 4,000 OF THE NEW JOBS IN THE UNINCORPORATED AREA

- SOURCES: SACOG REGIONAL HOUSING NEEDS PLAN, 5/2001; AND PLACER COUNTY ECONOMIC AND DEMOGRAPHIC PROFILE PUBLISHED BY CALIFORNIA STATE UNIVERSITY, CENTER FOR ECONOMIC DEVELOPMENT, CHICO, CALIF. 2002

PLACER COUNTY MEDIAN INCOME: \$64,100

FAIR SHARE INCOME CATEGORIES FOR A FAMILY OF FOUR: (2004 LEVELS)

- VERY LOW INCOME (50% of median) - \$32,050
- LOW/LOWER INCOME (80%) - \$51,300
- MEDIAN INCOME (100%) - \$64,100
- MODERATE INCOME (120%) - \$76,920
- THE MINIMUM HOUSEHOLD INCOME NEEDED TO PURCHASE A MEDIAN-PRICED HOME IS \$123,000. ** (5% down, 30 yr fixed @ 6% Interest)

- CALIFORNIA STATE DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT

**Projected Fair Share Housing Need by Income Group
for
Placer County Communities 2000 - 2007**

| <u>JURISDICTION</u> | <u>Very Low</u> | <u>Low</u> | <u>Moderate</u> | <u>Above Moderate</u> | <u>Total New Units</u> |
|----------------------------|------------------------|-------------------|------------------------|------------------------------|-------------------------------|
| Roseville | 2,994 | 2,053 | 2,328 | 4,025 | 11,400 |
| Placer County | 2,264 | 1,801 | 1,797 | 2,779 | 8,641 |
| Lincoln | 1,800 | 1,232 | 1,475 | 3,296 | 7,803 |
| Rocklin | 876 | 610 | 640 | 1,227 | 3,353 |
| Loomis | 147 | 97 | 91 | 158 | 493 |
| Auburn | 93 | 122 | 206 | 267 | 688 |
| Colfax | 7 | 17 | 30 | 81 | 135 |
| TOTAL | 8,181 | 5,932 | 6,567 | 11,833 | 32,513 |

PROJECTED "FAIR SHARE" HOUSING "VERY LOW" AND "LOW" DEVELOPMENT NEEDS 2000-2007

*** COUNTYWIDE - 44%**

*** UNINCORPORATED PLACER COUNTY - 48%**

THE DEVELOPMENT OF “FAIR SHARE” WORKFORCE HOUSING IS BEING PURSUED BY SEVERAL JURISDICTIONS IN PLACER COUNTY

| <u>CITY</u> | <u>CURRENT # OF SUBSIDIZED UNITS</u> | <u>2000-2007 FAIR SHARE UNMET NEED</u> |
|---------------|--|--|
| ROSEVILLE | 1,437 | 5,047 |
| ROCKLIN | 732 | 1,486 |
| AUBURN | 347 | 215 |
| LINCOLN | 653 | 3,032 |
| LOOMIS | 0 | 244 |
| PLACER COUNTY | 252 | 4,065 |
| COLFAX | 66 | 24 |
| TOTAL | 3,487 | 14,113 |



III. LOCAL RESPONSES/ACTION STEPS

**“HOUSING IS SO EXPENSIVE THAT
MANY OF OUR CHILDREN CAN’T
AFFORD TO LIVE IN HOMES AS GOOD
AS THOSE THEY GREW UP IN”.....**

FORMER GOVERNOR PETE WILSON

MEDIAN HOME PRICES CONTINUE UPWARD ACROSS THE COUNTY

EXISTING RESALE HOMES

| | | |
|----------------------|---|-----------|
| • GRANITE BAY/LOOMIS | - | \$690,000 |
| • MEADOW VISTA | - | \$455,250 |
| • AUBURN/NEWCASTLE | - | \$450,000 |
| • ROCKLIN | - | \$418,600 |
| • ROSEVILLE | - | \$393,750 |
| • FORESTHILL | - | \$332,500 |
| • LINCOLN | - | \$390,000 |

PLACER COUNTY PRICES

- NEW HOMES MEDIAN SALES PRICE:
\$538,990
- EXISTING HOMES MEDIAN SALES PRICE:
\$420,000
- COUNTY WIDE MARKET RATE RENTS ARE STILL HIGH AND THE VACANCY RATE IS LOW AT 3%

-PLACER COUNTY ASSOCIATION OF REALTORS, OCTOBER -2004
-SACRAMENTO BEE AND THE GREGORY GROUP -JAN 2005

WESTERN PLACER COUNTY SURVEY

**MANY RESIDENTS REPRESENTING THE FABRIC OF THE COMMUNITY
HAVE BEEN PRICED OUT OF THE HOMEOWNERSHIP MARKET AND
FORCED TO RENT, OVERCROWD, OR COMMUTE LONG DISTANCES:**

| <u>OCCUPATION</u> | <u>STARTING SALARY</u> | MEDIAN <u>PRICE HOME</u> | <u>QUALIFYING INCOME</u> | <u>INCOME GAP</u> |
|-----------------------|----------------------------|---------------------------------|------------------------------|------------------------------|
| • TEACHER | \$34,000 | \$420,000 | \$123,000 | \$ 89,000 |
| • TEACHER AIDE | \$19,000 | \$420,000 | \$123,000 | \$104,000 |
| • CHILD CARE PROVIDER | \$17,900 | \$420,000 | \$123,000 | \$105,100 |
| • SHERIFF DISPATCHER | \$33,372 | \$420,000 | \$123,000 | \$ 89,628 |

WESTERN PLACER COUNTY SURVEY -continued

| <u>OCCUPATION</u> | <u>STARTING SALARY</u> | <u>PRICE HOME</u> | <u>QUALIFYING INCOME</u> | <u>INCOME GAP</u> |
|--|----------------------------|-----------------------|------------------------------|-----------------------|
| • CONSOLIDATED FIREFIGHTER | \$27,000 | \$330,000 | \$123,000 | \$ 96,000 |
| • AUBURN FAITH NURSING ASSISTANT | \$28,716 | \$330,000 | \$123,000 | \$ 94,284 |
| • AUBURN FAITH CLERICAL/ ADMIN. STAFF | \$28,140 | \$330,000 | \$123,000 | \$ 94,860 |
| • GROCERY CLERK | \$18,790 | \$330,000 | \$123,000 | \$104,210 |
| • FAST FOOD ASST. MANAGER | \$26,880 | \$330,000 | \$123,000 | \$ 96,120 |



TEACHERS/AIDES



NURSES/AIDES



SECRETARIES



FIRE FIGHTERS

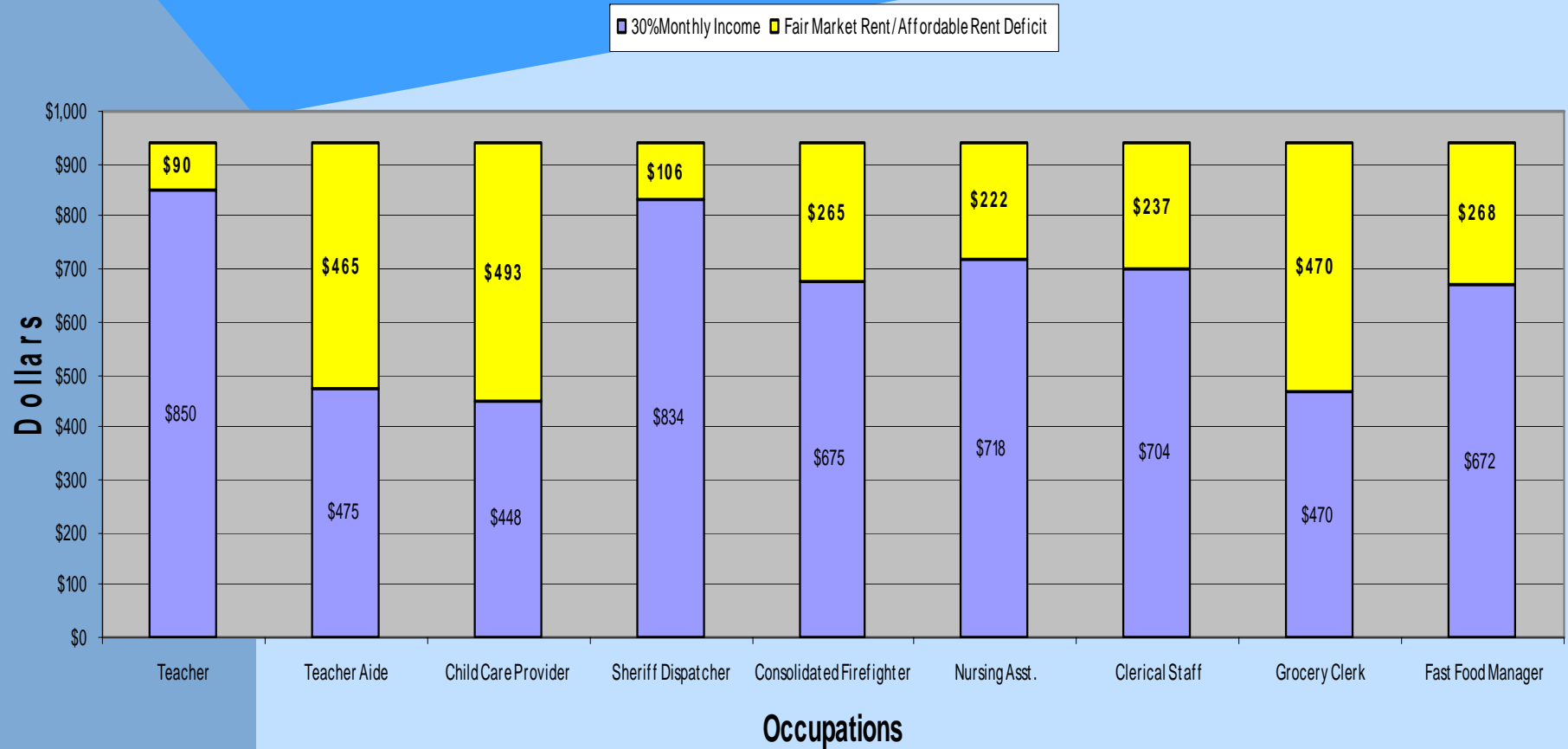


LAW ENFORCEMENT



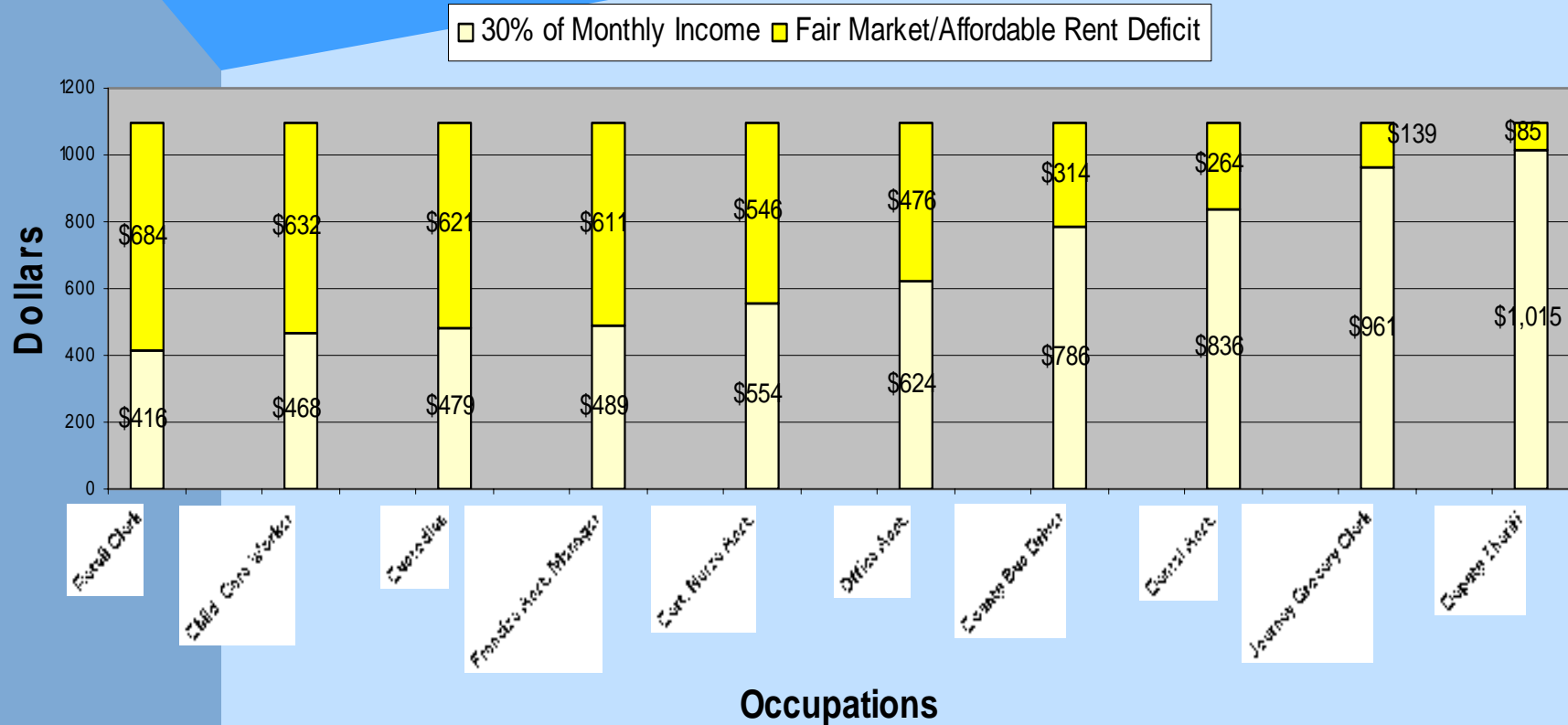
LABORERS

Western Placer County - Average Market Rate Rent Versus Amount that Various Entry-Level Wage Earners Can Afford



*Note: This chart reflects a 2 bedroom average market-rate rent of \$940 in the surrounding Auburn area. The wage and rent information is specific to occupations in the Auburn area.

Lake Tahoe Two Bedroom Rent Versus Amount That Various Entry-Level Wage Earners Can Afford



Note: This chart reflects a 2 bedroom average market-rate rent of \$1100 in the North Lake Tahoe area.

PLACER COUNTY HOUSING POLICIES AND PROCEDURES

- **GENERAL PLAN HOUSING ELEMENT & COMMUNITY PLANS**
 - GOALS/POLICIES
 - TOOLS
 - DENSITY BONUS
 - EMPLOYEE HOUSING REQUIREMENTS
 - FEE/STANDARD WAIVERS
 - IN-LIEU FEES
 - INCLUSIONARY HOUSING POLICIES
- **REDEVELOPMENT PROJECT AREA PLANS**
 - STATE REQUIRED HOUSING PRODUCTION QUOTAS
 - TOOLS
 - TAX INCREMENT HOUSING SET-ASIDE FUNDS
 - LEVERAGED STATE GRANT FUNDS

WORKFORCE HOUSING STRATEGY (APRIL 1999)

- DESIGNATES REDEVELOPMENT AGENCY AS WORKFORCE HOUSING COORDINATOR FOR COUNTY PROGRAMS AND ESTABLISHES FOLLOWING PRIORITIES:

**DEVELOP NEW AND MAINTAIN EXISTING MULTI-FAMILY/SENIOR
RENTAL HOUSING
(AUBURN COURTS-NORTH AUBURN)**



MANAGE COUNTYWIDE AND TARGET COMMUNITY REHABILITATION PROGRAMS



BEFORE



AFTER

FIRST TIME HOMEBUYERS PROGRAM



CONDOMINIUM



CLUSTER/DUET HOME

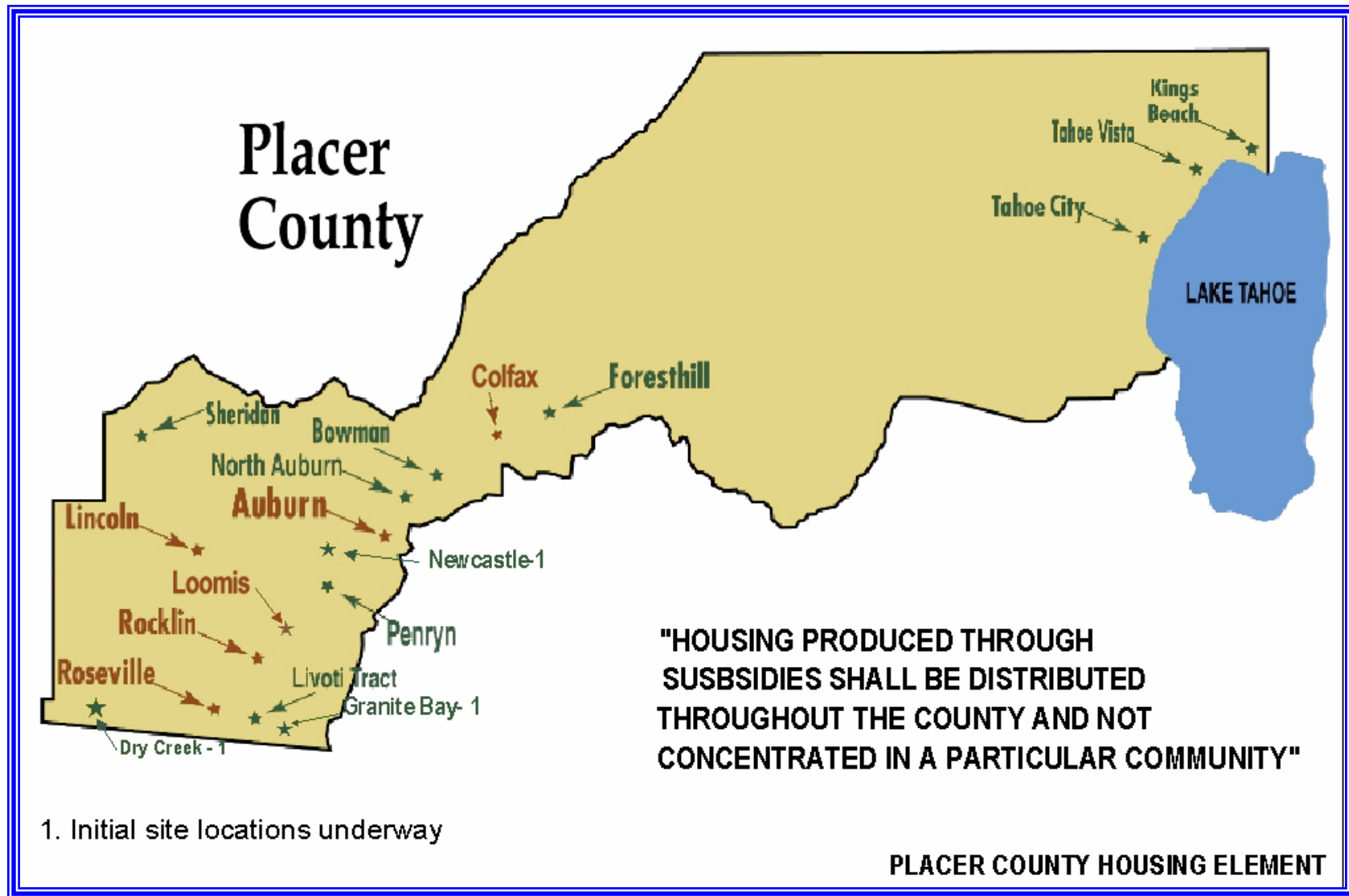
In 2004, Condo's accounted for about 5% of all new home sales in the capitol region, and cluster homes just under 8%. In 2005 Condos are estimated to account for 8% of all sales and cluster homes 10%



SINGLE FAMILY HOME

Sacramento Bee and The Gregory Group, Jan. 2005

PLACER COUNTY IS CURRENTLY DEVELOPING OR MAINTAINING THE AFFORDABILITY OF WORKFORCE HOUSING IN MANY COMMUNITIES



IV. TODAY'S WORKFORCE HOUSING

“MOST CONTEMPORARY WORKFORCE HOUSING IS VIRTUALLY INDISTINGUISHABLE FROM MARKET RATE HOUSING AND IS WELL MANAGED”.....

CALIFORNIA REDEVELOPMENT ASSOCIATION



SNOWCAP VIEW



SNOWCAP EXTERIOR VIEW



SNOWCAP TOT LOT

NORTH AUBURN

MARKET



MINERS STATION ENTRANCE



MINERS STATION POOL AREA



MINERS STATION COMMON AREA



VILLA SERENE/STANFORD RANCH CLUBHOUSE



VILLA SERENE/STANFORD RANCH EXTERIOR



VILLA SERENE/STANFORD RANCH EXTERIOR



VILLA SERENE/STANFORD RANCH POOL

WORKFORCE HOUSING COMPLEXES DEVELOPED WITH GOVERNMENT SUPPORT OFTEN HAVE STRICTER REQUIREMENTS THAN MARKET RATE UNITS:

- COMPLEXES OF MORE THAN 16 UNITS REQUIRE ON-SITE MANAGEMENT AND ADDITIONAL COVENANTS
- RENTER SCREENING REQUIREMENTS TYPICALLY INCLUDE:
 - CREDIT AND TENANT HISTORY
 - LANDLORD CHECKS
 - FAMILY SIZE
 - INCOME VERIFICATION
 - AUTO REGISTRATIONS, INSURANCES, AND CRIMINAL RECORD CHECK

WORKFORCE HOUSING DEVELOPMENT ASSOCIATED ISSUES

- **LAW ENFORCEMENT ACTIVITY**

“THE MOST IMPORTANT FACTOR IN DEALING WITH ISSUES IN AN APARTMENT COMPLEX, IN MY EXPERIENCE, IS THE WORKING RELATIONSHIP BETWEEN MANAGEMENT, TENANTS, AND LAW ENFORCEMENT.”

JIM PLYMPTON
POLICE OFFICER
ROSEVILLE POLICE DEPART.

- **MOST SUBSIDIZED UNITS ARE MANAGED CAREFULLY TO MINIMIZE THE INCIDENCE OF CRIME AND HAVE NO HIGHER RATE THAN MARKET RATE HOUSING.**

STEVE D'ARCY
UNDERSHERIFF
PLACER COUNTY SHERIFF'S DEPT.



THE OAKS AT JOINER RANCH ENTRANCE



THE OAKS AT JOINER RANCH POOLSIDE



THE OAKS AT JOINER RANCH TOT LOT



THE OAKS AT JOINER RANCH

LINCOLN

MARKET



AUBURN CREEK APARTMENTS ENTRANCE



AUBURN CREEK APARTMENTS SWIMMING POOL

LINCOLN

SUBSIDIZED



THE VILLAGE AT PARKWAY ENTRANCE



THE VILLAGE AT PARKWAY POOL AREA



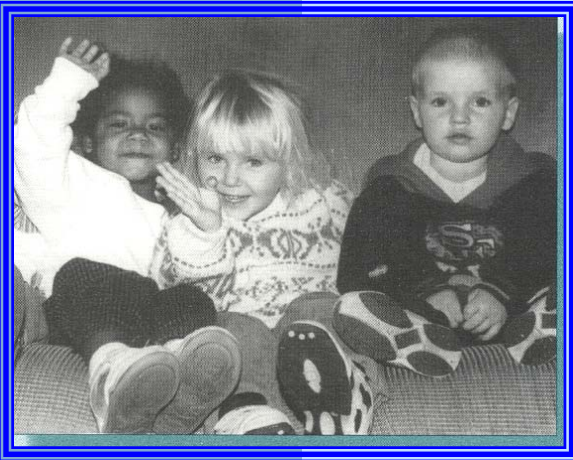
THE VILLAGE AT PARKWAY EXTERIOR



THE VILLAGE AT PARKWAY TOT LOT

SCHOOL IMPACTS

- STATE LAW GOVERNS ISSUES RELATED TO SCHOOL IMPACTS FROM ADDITIONAL HOUSING DEVELOPMENT IN A COMMUNITY.
 - SCHOOL DISTRICTS ARE PAID \$4,200 TO \$4,500 IN AVERAGE DAILY ATTENDANCE PER CHILD TO COVER OPERATING EXPENSES
 - SCHOOL DISTRICTS ARE PAID A STATE MANDATED IMPACT FEE OF \$2.05 PER SQUARE FOOT OF NEW CONSTRUCTION TO ASSIST IN MEETING FACILITY REQUIREMENTS

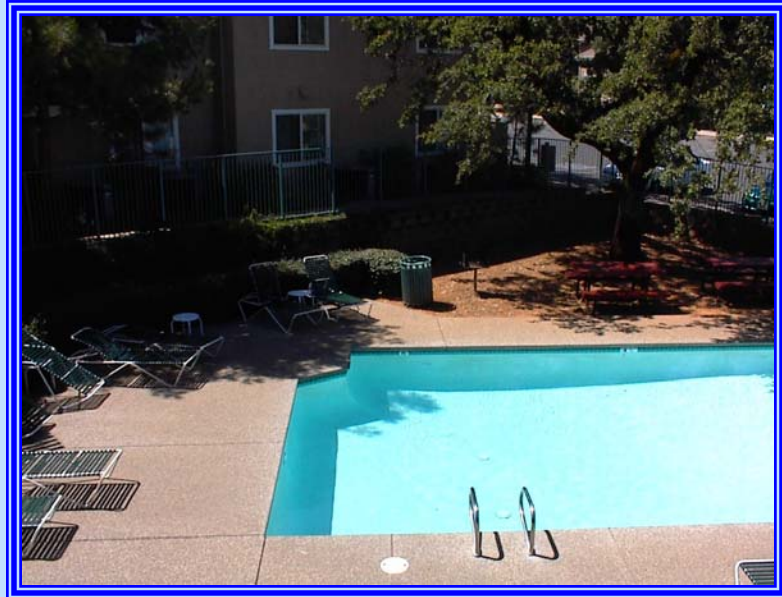


WORKFORCE HOUSING DEVELOPMENT ASSOCIATED ISSUES

- **TRAFFIC**
 - SUBSIDIZED RENTAL HOUSING MUST MEET THE SAME TRAFFIC STUDY AND MITIGATION STANDARDS AS MARKET RATE HOUSING
- **PROPERTY VALUES**
 - SEVERAL STUDIES INDICATE A POSITIVE IMPACT ON THE VALUE OF HOMES IN THE SURROUNDING NEIGHBORHOOD. THERE IS LITTLE TO NO EVIDENCE THAT TAX CREDIT DEVELOPMENTS ERODE SURROUNDING HOME VALUES.



TERRACINA OAKS ENTRANCE



TERRACINA OAKS POOL AREA



TERRACINA OAKS EXTERIOR VIEW



TERRACINA OAKS TOT LOT



OLIVE COURTS ENTRANCE



OLIVE COURTS INTERIOR VIEW



OLIVE COURTS EXTERIOR VIEW



OLIVE COURTS CURB VIEW

SUBSIDIZED

a



QUESTION

“HOW DOES A NON DOT COM,
30-YEAR OLD GUY START A FAMILY
IN AN AREA WHERE HOMES ARE
WELL OVER HALF A MILLION
DOLLARS?”

- LETTER TO THE EDITOR-AUBURN JOURNAL JULY 2001

ANSWER

PLACER COUNTY WORKFORCE HOUSING STRATEGY

- DEVELOP NEW AND MAINTAIN EXISTING MULTI-FAMILY HOUSING FOR SENIORS AND FAMILIES
- MANAGE COUNTYWIDE AND TARGET COMMUNITY REHABILITATION PROGRAMS
- FIRST TIME HOMEBUYERS PROGRAM

ADDITIONAL SLIDES FOR REVIEW

CONDOMINIUM* DEVELOPMENT COSTS – AFFORDABILITY GAP

| | Very Low | Low | Moderate |
|------------------------------|------------|-------------|-------------|
| Development Costs (per Unit) | \$220,000 | \$220,000 | \$220,000 |
| Affordable Home Price | (\$88,000) | (\$125,000) | (\$238,800) |
| Affordability Gap | \$134,000 | \$100,000 | N/A |

* The development cost for single family detached stick built is estimated to be \$310,000

Realtors expect home prices to continue upward...*

- The median price of a single-family home in California is expected to reach \$522,930, an increase of 15% from 2004.
- California typically gains nearly 250,000 new households yet will only build about 200,000 new houses this year, creating a shortage of 50,000.
- Homebuyers for 2005 will face slightly higher mortgage interest rates, approaching 7% by year's end, which will make it more difficult for many families in California to be able to afford a home.

*California Association of Realtors 2005 Housing Market Forecast.

A Severe Housing Crisis : The GAP

“California continues to have a severe housing crisis. Housing production has not kept pace with population growth and household formation for at least a decade, and the production of lower-priced attached housing for rent and sale has not recovered from the recession of the early 1990s. Ten days ago the news reported that California’s builders were going to produce more than 200,000 new homes, the most since 1989. The news reports went on to say that it was not enough—that **225,000 to 250,000 homes were needed just to keep up with our growing workforce. And even that figure would not address the backlog of need created by 15 years of too few homes being built.** With a median income of about \$56,000, and a median home price of \$445,140 in Los Angeles County, housing is simply unaffordable to most of our workforce.” **We must address both the supply and the price of housing if our economy is going to thrive.**

Quote from G. Allan Kingston, President/CEO, Century Housing Aug. 13, 2004
addressing the California Performance Review Commission (CPRC)

Affordable Housing Payment

| ASSUMPTIONS | | | | | | |
|--------------------|--|--|-------|-------------------------------|--|-----------|
| Interest Rate | | | 5.63% | Taxes | | 1.2500% |
| Loan Term | | | 30 | Insurance | | 0.0035 |
| Down Payment % | | | 3% | Mello Roos | | 0 |
| HOA | | | 0 | Flood Insurance | | 0.003 |
| Mortgage Insurance | | | 0.005 | Income % to Housing - HOME/TI | | 30% - 35% |
| | | | | | | |

Examples of Affordability

- A household of four earning \$123,000 per year can AFFORD to buy the median priced home in Placer County for \$420,000.
- This assumes a 5.625%, 30 year fixed rate mortgage with 3% down, or \$12,600.
- This income represents 192% of the median income of Placer and Sacramento Counties.
- What does this look like.....

It looks like this at \$410,000



This at \$429,000 and.....



And this at \$395,000.



What is Median Income?

Median income is defined as the middle of the bar.

High



192 % of Median - \$123,000

120 % of Median - \$76,920

100 % of Median - \$64,100

80 % of Median - \$51,280

50 % of Median - \$32,050

Low

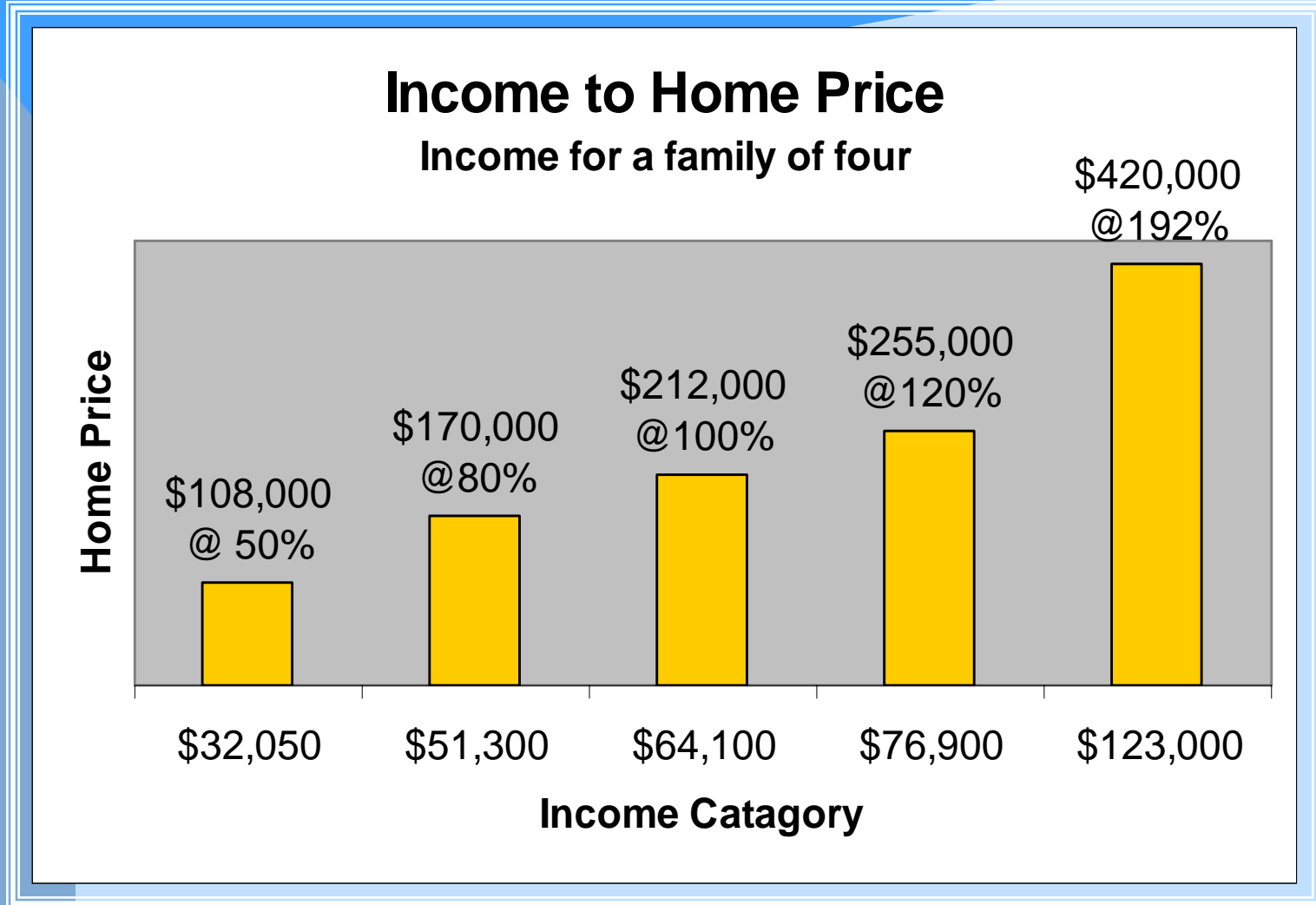
Income Shown is for a Household of Four.

Based on Sacramento's Primary Metropolitan Statistical Area (PMSA)

Income Adjusted for Household Size

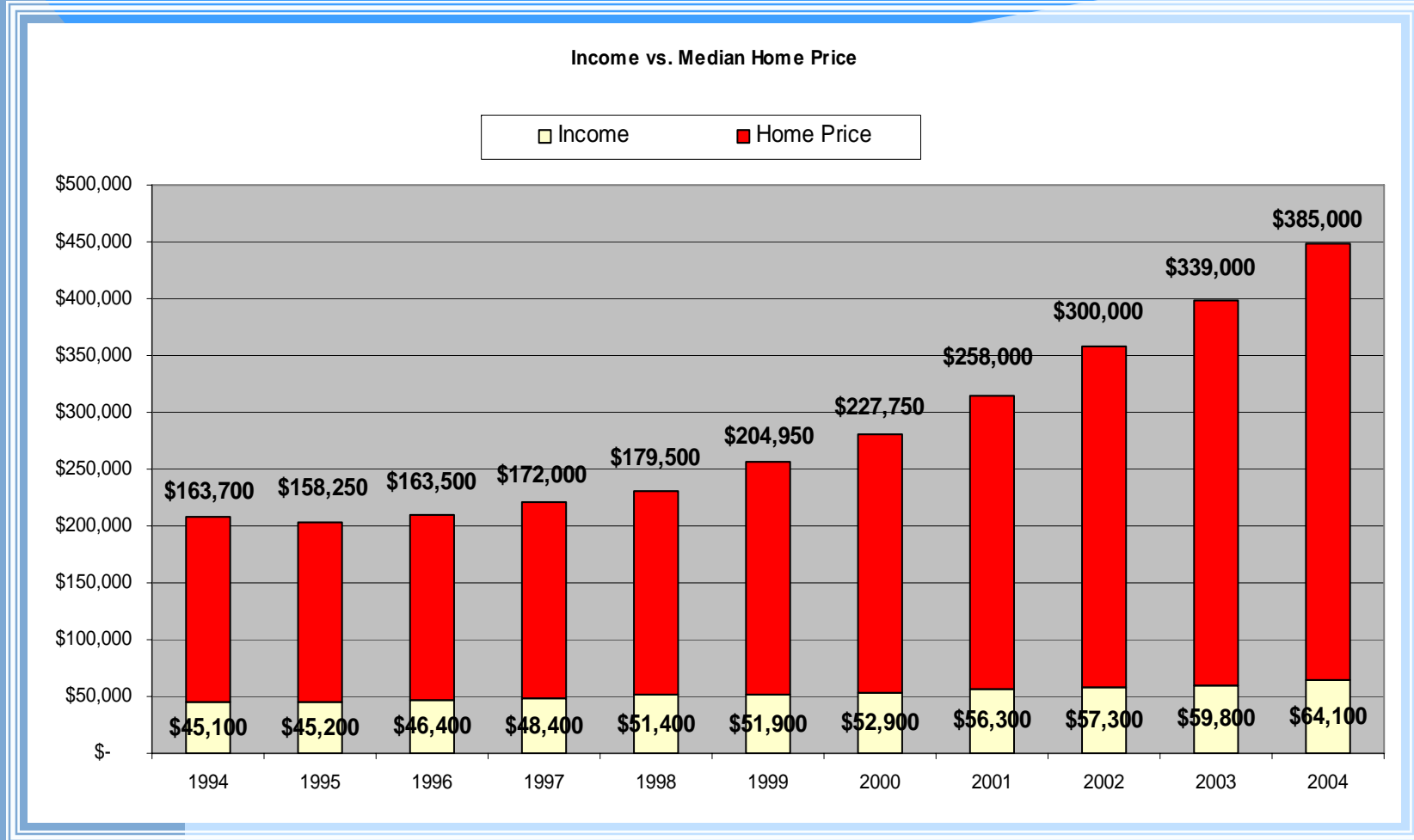
| | | FAMILY SIZE - 2004 | | | | | |
|----------------------------|----|--------------------|-----------|-----------|-----------|-----------|-----------|
| | | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6 Person |
| | | | | | | | |
| Median Income | \$ | 44,850 | \$ 51,300 | \$ 57,700 | \$ 64,100 | \$ 69,250 | \$ 74,350 |
| 80% AMI (Low Income) | \$ | 35,900 | \$ 41,000 | \$ 46,150 | \$ 51,300 | \$ 55,400 | \$ 59,500 |
| 120% AMI (Moderate Income) | \$ | 53,850 | \$ 61,500 | \$ 69,200 | \$ 76,900 | \$ 83,050 | \$ 89,200 |

Income to Purchase Price



Based on a 30 yr., 5.625% fixed rate, 3% Down FHA Loan

Median Sales Price vs. Median Income



Income shown is at 100% of Median for family of four

Examples of Affordability

- A household of four earning \$51,300 per year can AFFORD to buy a home in Placer County for \$175,000.
- This assumes a 5.625%, 30 year fixed rate mortgage with 3% down.
- This income represents 80% of the median income of Placer and Sacramento Counties.
- What does this look like.....with down payment assistance from **Placer County's First Time Home Buyer's Program.**

Math 101

- **You can qualify for a first mortgage of \$175,000.**
- **Add \$100,000 of Placer County's FTHB money:
(\$175,000 + \$100,000 = \$275,000)**
- **What can this buy?.....**



Some Possibilities Include:

- **Condominiums;**
- **Manufactured Homes;**
- **Fixer Uppers;**
- **Duets/Town homes and**
- **Infill/vacant lots w/manufactured homes**

Condominium's



Manufactured Homes



Estimating Construction Costs

◆ Get In The Ballpark

- Permits/fees
- Site Preparation
- Utilities
- Manufactured Home
- Transportation
- Foundation, Set-up, Interior Finish, etc.

WHAT DOES THIS ALL MEAN?...

Remember these Important Points!

- ◆ **Placer County's Down Payment Assistance (DAP) loan amount can go up to \$100,000;**
- ◆ **The Interest Rate is 3% simple interest per year;**
- ◆ **Deferred for 30 yrs. With no payments required;**
- ◆ **There is an Affordability Covenant recorded against the property for a specific term and**
- ◆ **This affordability covenant controls the resale of the property.**

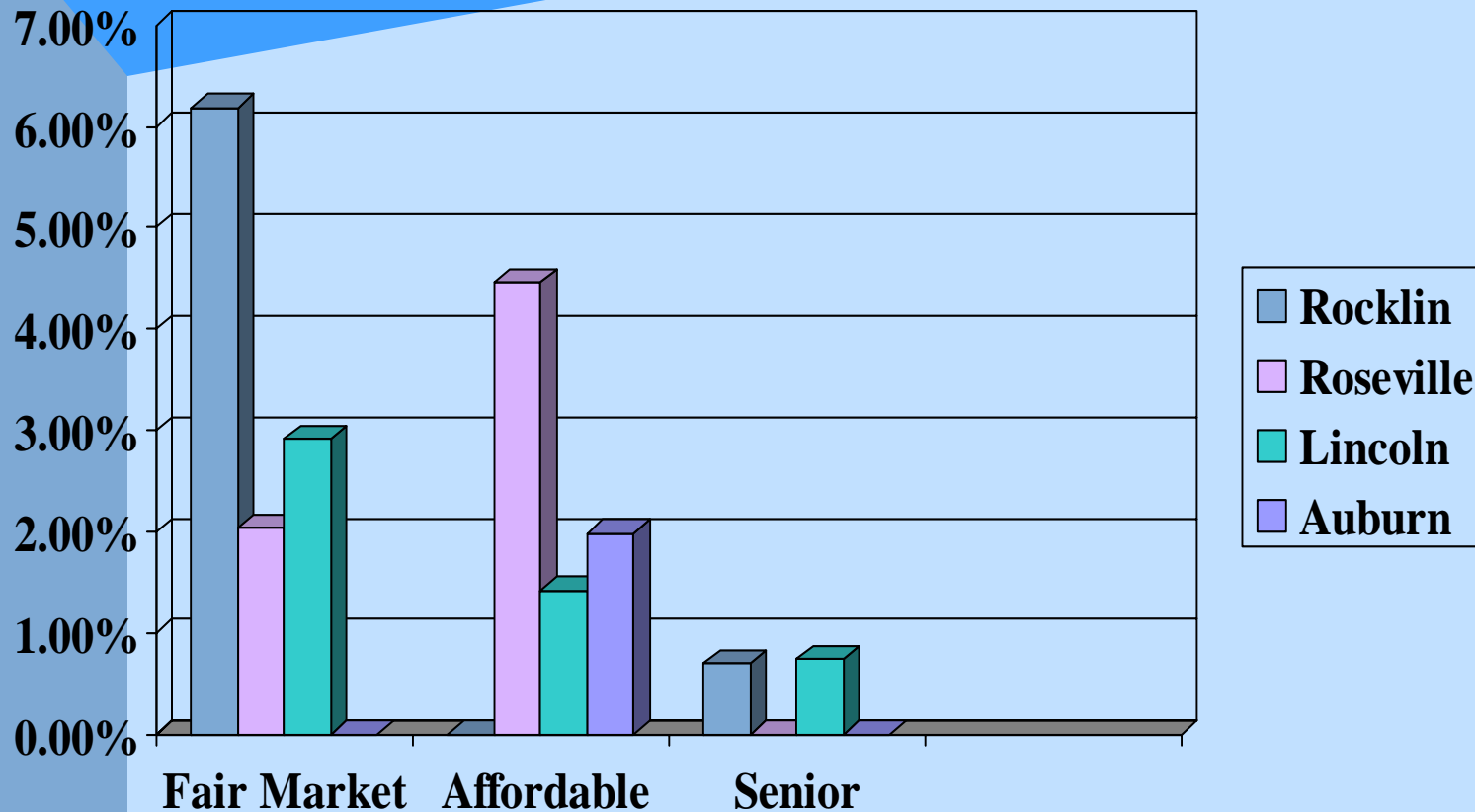
How Do I Get Started!

- Determine your income – adjusted for household size. Remember there are programs that allow incomes as high as 140% of median income, such as the Pacific Housing Finance Lease-Purchase program.
- Get pre-qualified with a mortgage lender to determine how much you qualify for. You can't start looking for a house until you know how much you can AFFORD!
- Attend a Homebuyer Education Class
- Interview Licensed Real Estate Professionals to help you locate a house, lot or fixer.
- Apply for Placer County's 2003 HOME FTHB Loan

AND REMEMBER FUNDS ARE LIMITED

SO NOW IS THE TIME!

Placer County Vacancy Rate



Auburn includes both Unincorporated County and City of Auburn

Source: October 2004 sample survey conducted by Overland, Pacific & Cutler consultant and Placer County Redevelopment Agency Staff

Placer Co. Vacancy Rate & Rent Range

| Area | Vacancy | Rent Range |
|--|---------|----------------|
| Rocklin | 5.04%** | \$400-\$1415 |
| Roseville | 2.30% | \$518-\$1887 * |
| Lincoln | 4.00% | \$637-\$1056 |
| Total Unincorporated County & City of Auburn | 3.28% | \$400-\$1887 |
| North Auburn (unincorporated) | 5.88% | \$402-\$1024 |
| Auburn (incorporated) | 1.25% | \$450-\$1056 |
| All of Auburn | 3.37% | \$402-\$1056 |

**Roseville has complexes with moderate-income units at 120% of median and also complexes with rents with reductions that do not represent a typical affordable rent.

**Rocklin has several complexes with very high rents because they were just built and they opened with the higher rents

Source: October 2004 sample survey conducted by Overland, Pacific & Cutler Consultant and Placer County Redevelopment Agency Staff

Auburn Area Vacancy & Rent Range

| Area | Vacancy | Rent Range |
|--------------------------------------|---------|--------------|
| Affordable Senior | 0% | \$526-\$566 |
| Affordable (Does not include Senior) | 1.28% | \$580-\$1056 |
| Total | 0.91% | \$526-\$1056 |

Survey includes a sample of both incorporated Auburn and North Auburn (Unincorporated County)

Source: October 2004 sample survey conducted by Overland, Pacific & Cutler Consultant and Placer County Redevelopment Agency Staff